



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 29, 2005

H.R. 940 **Recreational Marine Employment Act of 2005**

*As ordered reported by the House Committee on Education and the Workforce
on April 13, 2005*

H.R. 940 would amend the Longshore and Harbor Workers' Compensation Act to clarify the exemption for certain workers in the shipbuilding industry. Current law requires special workers' compensation coverage for that industry, with an exemption for employees of companies that build boats less than 65 feet in length. This bill would expand that exemption to all workers in the recreational marine industry, regardless of the length of the vessel.

Most of the insurance premium payments and workers' compensation benefits are paid to and from private insurance companies. However, the Department of Labor (DOL) oversees an account that assesses fines and penalties, makes annual assessments of authorized private insurance carriers, and pays benefits to workers in special circumstances. DOL estimates that payments related to the recreational marine industry into and out of this special fund amount to less than \$1 million annually. Therefore, CBO estimates the effects of this legislation on mandatory spending and receipts would be insignificant.

H.R. 940 contains no new private-sector or intergovernmental mandates as defined in the Unfunded Mandates Reform Act and would impose no significant costs on state, local, or tribal governments. Under current law, employers in the recreational marine industry must purchase insurance required by the Longshore and Harbor Workers' Compensation Act. This bill would shift that coverage to policies meeting the requirements of state laws governing workers' compensation.

This estimate was prepared by Christina Hawley Sadoti (for federal costs), Nabeel Alsalam (for the private-sector impact), and Leo Lex (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.